

[Unapproved and Subject to Change]  
**CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION**  
**MINUTES OF MEETING, Public Session**

March 13, 2008

**Call To Order:** Chairman Ross Johnson called the meeting to order at 10:15 a.m., at 428 J Street, Eighth Floor, Sacramento, California. Chairman Johnson, Commissioners Timothy A. Hodson, Gene Huguenin, Bob Leidigh and Ray Remy were present.

The Chairman announced that the Informational Hearing, scheduled for today, was rescheduled for April 10, 2008, and the regulation dealing with Enforcement, scheduled for today, was rescheduled for the May Commission meeting, and apologized for any inconvenience the changes may have caused.

**Item #1 - Public Comment.** This portion of the meeting is reserved for comment on items not on the agenda. Under the Bagley-Keene Open Meeting Act, the Commission cannot act on items raised during public comment, but may respond briefly to statements made or questions posed, request clarification, or refer the item to staff.

There was no public comment.

Before moving to the Consent Calendar, Chairman Johnson advised that Agenda Item No. 3 was being removed from the consent calendar and would be discussed as a separate item.

**2. Approval of the February 14, 2008, Commission meeting minutes and the February 27, 2008, minutes of the Special Commission meeting.**

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve the February 14, 2008 and February 27, 2008 Commission meeting minutes.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

**4. In the Matter of Conexant Systems, Inc., FPPC No. 07/109.** Conexant Systems, Inc., of Newport Beach, failed to timely disclose one late contribution totaling \$15,000 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a Stipulation, Decision and Order finding a violation of one count and a \$2,250 monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

- 5. In the Matter of Barbara Wientjes, FPPC No. 07/780.** Staff: Political Reform Consultant Teri Rindahl. Barbara Wientjes, Health Council of Marin County board member, failed to timely file her 2006 annual statement of economic interests in violation of Government Code Section 87300 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a Stipulation, Decision and Order finding a violation of one count and a \$200 monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

- 6. Failure to Timely File Major Donor Campaign Statements.** Chief Investigator Sue Straine and Political Reform Consultant Jeanette Turvill. The following entities have entered into stipulations for failing to file major donor campaign statements that were due during calendar years 2004, 2005, 2006 and 2007, in violation of Government Code Section 84200:

- a. In the Matter of Capital Insurance Group, FPPC No. 08/052.** Capital Insurance Group of Monterey, failed to timely file five semi-annual campaign statements disclosing contributions totaling \$117,600 (5 counts).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a Stipulation, Decision and Order finding a violation of one count and a \$2,604 monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

- b. In the Matter of Davis and Graeber Insurance Services, FPPC No. 08/053.** Davis and Graeber Insurance Services of Redlands, failed to timely file a semi-annual campaign statement disclosing contributions totaling \$13,100 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a Stipulation, Decision and Order finding a violation of one count and a \$400 monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

- 3. In the Matter of Robert G. Walters, Bob Walters for Supervisor, and Leonard W. Atkinson, FPPC No. 06/516.** Staff: Staff Counsel IV Melodee A. Mathay and Accounting Specialist Bob Perna. Respondent Robert G. Walters, an unsuccessful candidate for the Sacramento County Board of Supervisors, his controlled committee, Bob Walters for Supervisor, and its treasurer, Leonard W. Atkinson, failed to report subvendor information for payments totaling \$202,481 on campaign statements filed for reporting periods in 2003 and 2004, in violation of Government Code Section 84303 (1 count).

Commissioner Leidigh advised that he was removing himself from voting on this item.

Moved by Commissioner Huguenin and seconded by Commissioner Remy to approve a Stipulation, Decision and Order finding a violation of one count and a \$2,500 monetary penalty.

AYES: Commissioners Remy, Huguenin, Hodson, and Chairman Johnson.

The motion passed 4-0.

- 7. Adoption of Proposed Amendments to Regulation 18997 - Audits of Campaign Statements of CalPERS Board Candidates.** Staff: Assistant General Counsel John Wallace and General Counsel Scott Hallabrin. The Act was amended in 1998 to require candidates for the CalPERS board to file campaign statements with the Secretary of State and the Commission to develop a method for selecting CalPERS candidates for audits. In 2000, the Commission implemented an audit selection method by adopting Regulation 18997, which included a statement that the Commission would revisit the audit thresholds after collecting data on CalPERS fundraising. Based on election statistics gathered since the Commission adopted the regulation, staff proposed changes to the audit selection method.

Chairman Johnson asked if there were any comments from the audience. There were none.

Moved by Commissioner Huguenin and seconded by Commissioner Remy to adopt the proposed amendments as recommended by staff.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

- 8. Adoption of Proposed Amendment to Regulation 18735 – Change of Position or Disclosure Category within Same Agency.** Staff: Commission Counsel Brian G. Lau and General Counsel Scott Hallabrin. Staff proposed clarifying the reporting requirements for a designated employee transferring to a designated position within the same agency and the reporting requirements for a designated employee whose disclosure category is amended between filing dates. Staff also proposed consolidating the reporting requirements for certain legislative staff members elected to the Legislature.

The Chairman asked if anyone in the audience had comments. There were none.

Moved by Commissioner Leidigh and seconded by Commissioner Remy to approve adoption as amended at page 3, line 20, changing the word “replaces” with the words “serves as.”

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

- 9. Permanent Adoption of Emergency Regulation 18413 – Multi-Purpose Non-Profit Corporations.** Staff: Senior Commission Counsel Lawrence T. Woodlock , Hyla P. Wagner, and General Counsel Scott Hallabrin. Staff proposed permanent adoption of Regulation 18413, adopted as an emergency regulation at the Commission’s December 2007 meeting. The regulation proposed for permanent adoption clarifies language in the emergency regulation, furthering the original purpose to modify registration and reporting obligations of certain multi-purpose non-profit corporations, thereby tailoring those rules as required by the United States Court of Appeal for the Ninth Circuit in its recently published opinion in *California Pro-Life Council, Inc. v. Randolph et al.*

Moved by Commissioner Leidigh and seconded by Commissioner Huguenin to table this item until the April Commission meeting.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

- 10. Prenotice Discussion of Repeal and Readoption of Regulation 18944.2 – Gifts to an Agency.** Staff: Senior Commission Counsel Hyla P. Wagner and General Counsel Scott Hallabrin. Regulation 18944.2 provides an exception to the gift limits and financial disclosure requirements, otherwise applicable to public officials, for certain payments made directly to public agencies. Staff proposed changes to Regulation 18944.2 to improve public disclosure of payments made under this regulation, designate who must approve use of these payments, and add restrictions on use of the payments for travel by public officials. Because of numerous revisions to the regulation, staff recommended its repeal and readoption.

After discussion by the Commission, Chairman Johnson asked if anyone in the audience had comments in favor or against this item.

Mike Martello, City Attorney with the City of Mountain View, and Patrick Whitnell with the League for California Cities, had comments and concerns regarding this regulation.

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve for preliminary adoption but, before final adoption, staff was directed to consider the objections raised by both the Commission and the audience.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

- 11. Legislative Report.** Staff: Government Affairs Director Whitney Barazoto.

Moved by Commissioner Remy and seconded by Commissioner Hodson directing the General Counsel and Chief of Enforcement to review and evaluate how SB 1239 would impact the operations of the Enforcement Division, and, if any serious questions were raised, the Chairman was authorized to send a letter to the committee on behalf of the Commission expressing FPPC’s concerns.

The Commission also directed the Legislative Director and administrative staff to evaluate the cost any measures would have on the FPPC.

**12. Litigation Report.** Staff: General Counsel Scott Hallabrin.

Mr. Hallabrin announced that the case *FPPC v. Santa Rosa Indians* had settled. He also advised that the case *Carole Migden v. FPPC* had been filed with the U. S. District Court for the Eastern District of California and assigned Case No. CIV S-08-486 EFB, and that this was the “case name not revealed” under Agenda Item 15b, concerning the closed session portion of the meeting.

**13. Executive Director’s Report.** Staff: Executive Director Michael B. Salerno.  
As submitted.

**14. Chairman’s Report.** Chairman Ross Johnson.

The Chairman announced the Enforcement Division had hired two new attorneys—one attorney was already on-board, and the second attorney would start in a few weeks.

He again announced, for any latecomers, the Informational Hearing, scheduled for today, was rescheduled for April 10, 2008, and the regulation dealing with Enforcement, scheduled for today, was rescheduled for the May Commission meeting.

Chairman Johnson adjourned open session at 11:50 a.m. and advised the Commission would immediately convene in closed session.

The Commission reconvened in open session at 1:40 p.m. Chairman Johnson advised no reportable action was taken in the executive session and, with no further business coming before the Commission, he adjourned the meeting at 1:41 p.m.

Dated: March 17, 2008

Respectfully submitted,

---

Beth Manwaring  
Commission Assistant

Approved: \_\_\_\_\_  
Ross Johnson  
Chairman